(24)

In the Supreme Court of the United States

OCTOBER TERM, 1942.

No. 530.

THE SWAN CARBURETOR COMPANY,
Petitioner and Appellant Below,

vs.

CHRYSLER CORPORATION,
Respondent and Appellee Below.

PETITION FOR WRIT OF CERTIORARI
To the United States Circuit Court of Appeals
For the Sixth Circuit
and
BRIEF OF PETITIONER
WITH APPENDIX
(Reproduced from Printed Record)

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To the Honorable Harlan Fiske Stone, Chief Justice of the United States, and the Associate Justices of the Supreme Court of the United States:

Your petitioner respectfully shows:

I.
SUMMARY STATEMENT OF THE MATTER INVOLVED.

The above entitled suit is part of extensive litigation involving the Swan patent, No. 1,536,044 (R. Vol. IV, p. 1199). The decision of the Sixth Circuit Court of Appeals sought to be reviewed is reported in 130 Fed. (2d) 391, and is found at page 1851, Vol. V of the record. The findings and conclusions of the District Court in the instant case are reported at 34 Fed. Supp. 766 and are also found at page 1822, Vol. V of the record. Two patents were in suit below. Review is sought only of the portion of the decision dealing with the basic patent, No. 1,536,044.

Further reported cases in which this patent has been involved are: *Swan v. General Motors,* 42 Fed. (2d) 452

(D. C. N. D. Ohio, WESTENHAVER, *J.*); *General Motors v. Swan*, 44 Fed. (2d), 24 (C. C. A. 6), certiorari denied 282 U. S. 897; *General Motors v. Swan, Reeke-Nash v. Swan*, 88 Fed. (2d) 876 (C. C. A. 6), certiorari denied 302 U. S. 691; *Swan v. Nash*, 25 Fed. Supp. 21 (D. C. Md., COLEMAN, *J.*); *Swan v. Nash*, 25 Fed. Supp. 24 (D. C. Md., COLEMAN, *J.*); *Swan v. Nash*, 98 Fed. (2d) 115 (C. C. A. 4); *Nash v. Swan*, 105 Fed. (2d) 305 (C. C. A. 4); *Swan v. General Motors*, 43 Fed. Supp. 499 (D. C. N. D. Ohio, NEVIN, *J.*).

Unreported decisions involving this patent are the report of the Commissioner in *Swan v. General Motors* (R. Vol. IV, pp. 1375 to 1472 inc.); and the report of the Special Master in the *Reeke-Nash* case (II R. N. pp. 1101 to 1163; Appendix pp. 1-62),* whose findings and conclusions were adopted by the District Court (R. Vol. I, p. 19). The testimony and exhibits in the *Reeke-Nash* case which were re-offered in this case were not reproduced. For the convenience of the Court the Master's report is reproduced as an Appendix to this Petition.

Suits are pending in the Fourth and Sixth Circuits, one of which is yet awaiting trial.

During this litigation, extending for the last sixteen years through these numerous cases in the Fourth and Sixth Circuits, there have arisen many questions which should be settled by this Court, including some in which the Fourth and Sixth Circuits are in conflict, as is plain from the following statement by JUDGE PARKER in a dissenting opinion in the *Nash-Swan* case (105 Fed. (2d) 311):

> "The finding of non-infringement (by the majority of the court) is in direct conflict with a finding in one of the last General Motors cases affirmed by the Sixth Circuit, 88 F. 2d 876;"

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* We will refer to the record in the instant case as (R. Vol. ...., p. ....). The five volumes of the Reeke-Nash record are Plaintiff's Exhibits 27 A to E inc., and we will refer to the volume and page as (.... R. N. p. ....).

and many questions on which Masters, District Courts, Courts of Appeals are in conflict as we point out, *post*.

In the *General Motors* litigation the patent in suit has been held uniformly to cover manifolds comparable to the accused manifolds in this case.

In the *Reeke-Nash* case all of the claims here in suit were held valid and infringed by the Special Master, whose findings were adopted by the District Court (Appendix, *post*; R. Vol. I, p. 19). The District Court in the instant case held that Respondent is in privity with the Reeke-Nash Company by reason of the defense of that case by the National Automobile Chamber of Commerce, of which respondent was and is a member (R. Vol. I, p. 132; Vol. V, p. 1822).

On appeal of the *Reeke-Nash* case the Sixth Circuit Court of Appeals (88 Fed. (2d) 876) affirmed the District Court as to certain of the claims of the patents, held that these claims were sufficiently broad to give petitioner all the relief it was seeking, and did not act upon the defendant's request that the decree be reversed as to the remaining claims.

In the instant suit the District Court found none of the claims invalid. The court concluded that the patent in suit had not been infringed. The Court of Appeals held claims 4, 5, 8, 9, 10, and 22 to be invalid, and did not affirm the holding of non-infringement of these claims; and held claims 13 and 23 not infringed for somewhat different reasons than those given by the District Court.

QUESTIONS INVOLVED.

1. Whether a prior art device, which has proven a failure, which was faulty, and which did not perform according to the principle of the patent in suit, may be modified to change its mode of operation and results and as so modified used to place a limitation upon the claims of the patent in suit.

2. Whether, under the doctrine of *res judicata*, the validity of certain patent claims adjudicated by a final decree can be re-litigated in a second suit between the parties or their privies, where the defendant in the first case, on appeal from the final decree, failed to obtain a reversal, and the Court of Appeals affirmed as to some of the claims and dismissed without prejudice as to the remainder on the ground that plaintiff's recovery would be the same no matter how many claims it was based on.

3. (a) Whether a method involving the application to a fluid of the natural forces of gas pressure, inertia and reaction is a method consisting entirely of mechanical transactions which may be said to be the mere function of an apparatus suitable for carrying out the method.

(b) Whether or not claims drawn to a method including steps of applying forces to a fuel mixture to move the same in certain directions and in specified manners are invalid for indefiniteness because the claims do not state what the forces are nor how they operate, where the invention consists in the direction and manner of movement imparted to the fuel mixture, not in what the forces are nor how they operate.

4. Whether a claim to a combination of elements which is otherwise valid is rendered invalid by the addition of an explanatory clause reciting the function of a specified element of the combination.

5. Whether or not the invention of the Swan patent No. 1,536,044 is a pioneer invention entitled to the broad range of equivalents accorded to patents on pioneer inventions.

6. Whether the fact findings of the Special Master, adopted by the District Court in a prior suit against a privy of respondent, are entitled to the weight and credit provided by Rule 52, Rules of Civil Procedure, on issues of fact on which the District Court in the instant case made no findings or rulings.

II.

REASONS RELIED UPON FOR THE ALLOWANCE OF THE WRIT.

1. (a) The courts below are in hopeless conflict on the status of certain prior art manifolds, including the Matheson manifold. The Sixth Circuit Court of Appeals held in the *Reeke-Nash* suit, against a privy of respondent, 88 Fed. (2d) 876, pages 886 to 887:

> "The Murray and Tregurtha manifold has heretofore been discussed in the royalty case. It did not perform according to the Swan principle, and its distribution was faulty. This is equally true of Matheson, Peerless and Fay & Bowen, which must rank as prior efforts and failures."

This has been followed by other courts in the following cases:

Judge Coleman, in *Swan v. Nash*, 25 Fed. Supp. 24; Judge Parker, dissenting opinion in *Nash v. Swan*, 105 Fed. (2d) 305; and Judge Nevin, in *Swan v. General Motors*, 43 Fed. Supp. 499. To the same effect were the prior decisions of Judge Westenhaver, in *Swan v. General Motors*, 42 Fed. (2d) 452, and the decisions of the Master and District Court in *Swan v. Reeke-Nash*, II R. N. 1101, R. Vol. 1, page 19, and *Swan v. General Motors*, R. Vol. IV, page 1375.

The Fourth Circuit Court of Appeals in *Swan v. Nash*, 105 Fed. (2d) 305 differed with this holding, as is clear from the following from the dissenting opinion of Judge Parker (105 Fed. (2d) 311):

> "The finding of non-infringement (by the majority of the court) is in direct conflict with a finding in one of the last General Motors cases affirmed by the Sixth Circuit, 88 F. 2d 876:"

Judge Parker's dissent was in accordance with the District Court in Maryland (Coleman) and the views of the neutral expert appointed by him.

(b) The court below said, R. Vol. 5, page 1856:

> "Since appellee does not claim that Matheson and Fiat anticipate Swan, but merely that appellee follows Matheson and Fiat rather than Swan, the authorities urged upon us to the effect that an improved prior art cannot under the decisions be held to anticipate Swan, have no bearing."

In permitting modifications of the prior art to qualify or limit petitioner's patent claims the court below is in direct conflict with the rulings of the Second Circuit Court of Appeals in *Babcock v. Springfield* (16 Fed. (2d) 964, 969) and *Consolidated v. Window*, 261 Fed. 362, 368 to 369; and in direct conflict with the ruling of the Eighth Circuit Court of Appeals in *Goessling v. Gumb*, 241 Fed. 674.

(c) The holding of non-infringement by the Sixth Circuit Court of Appeals in the instant case is in conflict with the findings of the neutral expert in the Fourth Circuit case, with the Jury in one of the Sixth Circuit cases, and with the two Masters and one District Judge who saw tests of comparable manifolds and heard the witnesses.

(d) The Sixth Circuit Court of Appeals, in accepting the findings made by the District Court in this case, who did not see the tests, as to what happens inside the manifolds, as against the contrary findings of a District Judge, two Masters, and a neutral expert who actually watched the operations of comparable manifolds in other cases, is at variance with the Circuit Courts of Appeals for the Second and Ninth Circuits (*Stevens v. Schmid*, 73 Fed. (2d) 54, C. C. A. 2; *Diamond v. Webster*, 249 Fed. 155, C. C. A. 9) as to the weight to be given to findings based on actual observation of tests.

(e) There is diversity of decision with respect to the effects and operations of the hot spot heating devices between the decision of the Sixth Circuit Court of Appeals in the instant case, on the one hand, the neutral expert, the District Judge and the Court of Appeals in the Fourth

Circuit, the Master and District Judge in the case of *Swan v. Reeke-Nash,* the Jury in the case of *Swan v. General Motors* and with the Master and the District Judge in the case of *Swan v. General Motors,* on the other hand.

2. The Sixth Circuit Court of Appeals, in deciding that respondent is not estopped to contest validity of the claims held valid in a final decree against a privy of respondent where such privy failed to obtain a reversal of that decree on appeal, has decided an important question of law not heretofore passed on by this Court in a manner which is probably in conflict with the applicable decisions of this Court.

3. (a) The Sixth Circuit Court of Appeals, in holding the method claims 4, 5, 8, 9, and 10 in suit invalid on technical grounds, differed with the Master and the District Court who held these claims valid in *Swan v. Reeke-Nash* (R. Vol. I, page 19, and Appendix, *post*). The District Court in the instant case did not find any of these claims invalid. The form of these claims, which is the basis of the holding of invalidity, was suggested by the Patent Office (IV R. N. 2063), and claim 4 was one of the counts of an interference declared by the Patent Office (IV R. N. 2083-2084) in which priority was awarded to Swan (Deft's. Ex. 141A).

(b) The decision of the Sixth Circuit Court of Appeals that the method claims in suit, covering the moving of the mixture in certain manners and directions by the application of natural forces, are merely for the function of a machine, is in conflict with the generally accepted interpretation of this Court's decisions in *Cochrane v. Deener,* 94 U. S. 780, *Eames v. Andrews,* 122 U. S. 40, and *Fermentation Co. v. Maus,* 122 U. S. 413, that methods involving the employment of pneumatics, hydraulics, and other natural forces are patentable subject matter, as distinguished from methods consisting solely of mechanical transactions, which are patentable only if they can be carried out by

other machines, or by hand, as held by this Court in *Expanded Metal v. Bradford,* 214 U. S. 366.

(c) In ruling that the method claims in suit are invalid for indefiniteness under this Court's decision in *General Electric v. Wabash,* 304 U. S. 364, the Sixth Circuit Court of Appeals has erroneously extended the rule of the cited case beyond its stated and logical limits, in a manner probably in conflict with the decisions of this Court applicable to method claims. In the cited case the claims were held to be bad for failing to include the tangible characteristics of the article. A claim to a method, which is inherently intangible, must be tested by different rules.

4. The ruling of the Sixth Circuit Court of Appeals that claim 22 is invalid as functional because one element of the combination is defined in functional terms is in conflict with the rule followed in the Second and Seventh Circuit Courts of Appeals.

5. The courts below are in conflict as to whether or not the Swan patent No. 1,536,044 is for a pioneer or primary invention, and thus differ as to the range of equivalents to which the patent is entitled.

6. The Court of Appeals for the Sixth Circuit, in holding claims 4, 5, 8, 9, 10 and 22 invalid on technical grounds, ignored the findings of the Special Master, adopted by the District Court, in *Swan v. Reeke-Nash,* that these claims are valid as against these same defenses, contrary to the provisions of Rule 52, Rules of Civil Procedure, there being no finding on these issues by the District Court in the instant case.

Wherefore, your petitioner prays that a writ of certiorari issue to the United States Circuit Court of Appeals for the Sixth Circuit, commanding said court to certify and send to this Court on a day to be designated, a full and complete transcript of the record of all the proceedings of the Circuit Court of Appeals had in this cause, to the end

that this cause may be reviewed and determined by this Court; that the judgment of the Circuit Court of Appeals as to patent No. 1,536,044, holding claims 4, 5, 8, 9, 10 and 22 invalid and claims 13 and 23 not infringed be reversed; and that the petitioner be granted such other and further relief as may seem proper.

THE SWAN CARBURETOR COMPANY,
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